

## Message Text

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16

ACTION NEA-16

INFO OCT-01 ISO-00 EB-11 RSC-01 DRC-01 SSO-00 /030 W

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FM AMEMBASSY DACCA

TO SECSTATE WASHDC PRIORITY 3315

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E.O. 11652: N/A

TAGS: ENRG, BG

SUBJ: INTERESTED PARTY MESSAGE FOR ESSO EASTERN: SELLOUT  
NEGOTIATIONS THREATENED BY LEAK

REF: DACCA 2203

1. THERE FOLLOWS FURTHER INTERESTED PARTY MESSAGE FOR ESSO EASTERN, HOUSTON, TEXAS, TELEX 76-2171. EMBASSY HAS AGREED TO SEND IN VIEW OF POSSIBLE 4-DAY DELAY IN TRANSMISSION BY COMMERCIAL FACILITIES FROM HERE TO HOUSTON AND URGENT NEED IN DACCA FOR EARLIEST POSSIBLE INSTRUCTIONS. CONFIDENTIAL NEGOTIATIONS BETWEEN ESSO AND BDG ON THEIR SELLING-OUT HAVE BEEN EXPOSED IN PRESS, AND LOCAL ESSO REP FEARFUL THAT CRITICAL FINAL STAGE OF TALKS MAY BE DISRUPTED.

2. TEXT OF MESSAGE FOLLOWS:

A. FOR FINLEY, ATTENTION SEITZ:

FOLLOWING ARTICLE APPEARED IN SUNDAY JUNE 9TH ISSUE OF LOCAL WEEKLY HOLIDAY UNDER HEADING "ESSO IS QUITTING?":

1. NOTWITHSTANDING ENTREATIES AND ASSURANCES, FOREIGN INVESTMENT IN BANGLADESH WITHIN FRAMEWORK OF GOVERNMENT POLICY HAS NOT BEEN FORTHCOMING. AS A MATTER OF FACT SOME OF FOREIGN COMPANIES ARE PLANNING TO FOLD THEIR BUSINESS AND ARE CURRENTLY NEGOTIATING WITH GOVERNMENT FOR SELLING THEIR ASSETS AND RUNNING BUSINESS.

2. IT IS LEARNT THAT ESSO HAS OPTED FOR SELLING OUT ITS INTERESTS IN BANGLADESH AND IS AT PRESENT TRYING TO NEGOTIATE TERMS WITH GOVERNMENT. GOVERNMENT IS LEARNT TO BE LUKEWARM ABOUT BUYING UP  
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COMPANY, WHICH HAS BEEN DOING SUBSTANTIAL BUSINESS

IN THIS REGION

FOR YEARS AND IS STILL MAKING PROFITS. MOVE OF COMPANY AUTHORITIES TO PULL OUT OF BANGLADESH HAS BEEN ALLEGEDLY SURREPTITIOUS; AND COMPANY PERSONNEL ARE COMPLETELY UNWARY OF THIS MOVE.

3. AS A FOREIGN COMPANY WHICH HAD ITS HEADQUARTERS IN KARACHI DURING PAKISTAN DAYS, THE THEN ESSO EAST PAKISTAN GENERATED SUBSTANTIAL PROFITS; BUT THE REGION HAD VERY LITTLE SHARE OF SAME IN TERMS OF FRESH INVESTMENTS. AGAINST POLITICAL SETTING OF THEN PAKISTAN, DEMANDS WERE RAISED FOR SEPARATING EAST PAKISTAN ZONE

FROM HEADQUARTERS IN KARACHI BY BENGALIEE PERSONNEL AND PRELIMINARY NEGOTIATIONS TO THAT EFFECT WERE UNDER WAY. HOWEVER, MOVE WAS SHELVED ON ACCOUNT OF THE CRACKDOWN BY THE PAKISTAN ARMY.

4. REPORTED DECISION OF COMPANY AUTHORITIES TO DISINVEST IN BANGLADESH COMES IN WAKE OF DISINVESTMENT OF ESSO IN INDIA TO GOVERNMENT. BUT IN INDIA NO SUCH QUESTION OF INEQUITABLE INVEST-

MENT OUT OF PROFITS FROM ONE REGION THAT WAS THEN EAST PAKISTAN, TO ANOTHER REGION, NOW PAKISTAN, DID ARISE. BUT

THIS QUESTION IS

VERY MUCH PERTINENT HERE FOR PURPOSE OF EVALUATION OF ASSETS BY BANGLADESH GOVERNMENT. ON OTHER HAND, THE QUIET MOVE BY THE COMPANY AUTHORITIES TO FOLD UP WITHOUT ANY REFERENCE TO EMPLOYEES HAS ALREADY CAUSED CONSTERNATION AMONG THE MEMBERS OF THE STAFF AND EXECUTIVES OF THE COMPANY CONCERNED. UNQUOTE.

B. IN VIEW OF APPEARANCE THIS ARTICLE, ADVISE NATURE OF REPLY YOU WISH ISSUED IN RESPONSE TO ANTICIPATE APPROACH BY EMPLOYEE GROUPS AT ALL LEVELS, ALSO FROM OTHER LOCAL PRESS MEMBERS. ALSO ADVISE IF YOU WISH AN APPROACH BE MADE TO MINISTRY NRD REGARDING ABOVE PRESS REPORT AND POSSIBLE FUTURE PRESS REPORTS, ALSO ON QUESTION OF SECURITY OF INFORMATION RELATIVE TO GOB OFFER. SIGNED:

BROWN, ESSO EAS9, DACCA

DECONTROL UPON RECEIPT.

BOSTER

NOTE BY OC/T: NOT PASSED ESSO EASTERN, HOUSTON, TEXAS.

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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** PETROLEUM INDUSTRY, NATIONALIZATION, NEGOTIATIONS  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 10 JUN 1974  
**Decaption Date:** 01 JAN 1960  
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**Disposition Approved on Date:**  
**Disposition Authority:** smithrj  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
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**Secure:** OPEN  
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**Subject:** INTERESTED PARTY MESSAGE FOR ESSO EASTERN: SELLOUT NEGOTIATIONS THREATENED BY LEAK  
**TAGS:** ENRG, BG, ESSO EASTERN, HOUSTON, TEXAS  
**To:** STATE  
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